



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
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DAVID E. JANSSEN
Chief Administrative Officer

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Fifth District

December 2, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 1 TO LEASE NO. 66672
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
5835 SOUTH EASTERN AVENUE, COMMERCE
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached Amendment No. 1 with AMB Property L.P. (Lessor) to extend the term of Lease No. 66672 for a five-year period for the continued occupancy of 38,814 rentable square feet and 175 parking spaces for the Department of Children and Family Services (DCFS) at an initial annual rent of \$713,913. The rental costs are 87 percent subvented by State and Federal funds.
2. Find that this lease Amendment No. 1 is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.
3. Authorize the Chief Administrative Office (CAO) and DCFS to implement the project. The amendment will be effective upon approval by your Board.

The Honorable Board of Supervisors
December 2, 2003
Page 2

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DCFS has been in operation at this facility since 1993. The County has been on a holdover at this site since July 31, 2003 when the original ten-year lease expired. Approval of this proposed Amendment No. 1 will allow the County to end its month-to-month holdover of the lease and extend the term for an additional five years. The proposed amendment to extend the lease must be approved by your Board.

DCFS currently has 260 staff assigned to the proposed facility and has committed to reducing the number of staff to a maximum of 236 to ensure we relieve overcrowded work conditions. The department will move the overflow staff to existing space currently under lease at 2525 Corporate Plaza, Monterey Park. Service delivery staff provides a wide range of services to children and families in the dependency system or at risk of becoming part of the dependency systems, including the following services: child protection, family preservation, family reunification, emancipation, permanency planning, child welfare, foster care services, and adoptions. Additionally, the adoption units are responsible for assessing a child's adoptability, case management and supervision, and providing the services involved in finalizing a child's adoption. The proposed amendment will allow for the uninterrupted continuance of these and other support operations at the facility.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we improve the workplace environment in order to enhance quality and productivity (Goal 2, Strategy 2) and that we strengthen the County's fiscal capacity (Goal 4). In this case, we are housing multiple departmental functions and a subvented program in leased space in accordance with the Strategic Asset Management Principles, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease amendment will continue to house DCFS in 38,814 square feet of office space and 175 parking spaces for \$61,326 per month, or \$735,912 annually, providing an initial 11 percent reduction in County cost for the five-year term of the lease extension.

5835 S. Eastern Ave.	Existing Lease	Proposed Amendment No. 1	Change
Area (Square feet)	38,814	38,814	None
Term	08/01/93 to 07/31/03 (Month-to-Month since 08/01/2003)	Upon Board Adoption	5 years
Annual Rent	\$827,775 (\$21.33/sq.ft.)*	\$735,912 (\$18.96/sq.ft.)	- \$91,863
TI Allowance	\$100,000	\$271,698 (\$7.00/sq.ft.)	+\$171,698
Parking Included in Rent	175 off-street spaces	175 off-street spaces	None
Cancellation	After 7 years with 180 days notice	After 3 years with 180 days notice	- 4 years
Rental Adjustments	Operating Expenses Annual CPI, no cap	None Annual CPI capped at 4.5%	- \$.90/sq.ft. Adjustment capped

* Includes share of operating expense and CPI increases to date.

This is a full-service lease whereby the Lessor is responsible for all operating costs associated with the County's occupancy. Included in the rent is a \$7 per square foot, or \$271,698, tenant improvement (TI) allowance to be used for necessary refurbishment of the existing space. The rental rate is \$1.58 per square foot per month, or \$735,912 annually. The rent will be subject to annual consumer price index (CPI) increases capped at 4.5 percent beginning at the second year of the extended lease term. Parking is included in the indicated rental rate.

Sufficient funding for the proposed lease is included in the 2003-04 Rent Expense Budget and will be charged back to DCFS. Sufficient funding is available in DCFS operating budget to cover projected lease costs. The rental cost for DCFS is subvented by State and Federal sources by up to 87 percent.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County has been housed at this location since August 1993 on a single secured floor for the described operation when the office space was improved for County use. Over the past ten years the department has added additional program and staff to this location without adding additional space which has created overcrowded work conditions. The Department has committed to utilize existing space under lease at 2525 Corporate Plaza, Monterey Park to address these conditions and provide growth. After consideration of alternative locations during the term of the County's tenancy, it was requested by DCFS and determined by this office to be in the best interest of the County that the lease be extended in order to effectively continue the uninterrupted consolidated operations at this location.

The proposed five-year lease amendment provides for 38,814 square feet of office space and 175 parking spaces. Although the parking need is estimated at 189 parking spaces if the building is fully staffed, the County has some nearby parking spaces that can be utilized. The amendment contains the following provisions:

- Commencement of the new rent and term will be effective upon approval by your Board;
- A full-service gross basis with the Lessor responsible for all operating and maintenance costs;
- A \$271,698, or \$7 per square foot, TI allowance included in the base rental rate for deferred maintenance related to carpet, paint, and miscellaneous repairs;
- Elimination of the operating expense pass-through provision in the existing lease, which translates to immediate savings of approximately \$35,000 per year;
- A cancellation provision at or anytime after three years by giving 180 days prior written notice and paying a cancellation fee equal to any unamortized TI costs incurred by the Lessor.

This office conducted a survey of the area to determine the availability of comparable and more economical sites. CAO Real Estate staff was unable to identify any sites in the surveyed area that could suitably accommodate this requirement. Based upon said survey, staff has established that the rental range for similar office space is between \$18.60 and \$23.40 per square foot per year full-service gross. Thus, the base annual rent of \$18.96 for the proposed lease represents a rate within the market range for the area. Attachment B shows County-owned and lease facilities within the service area for these programs and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works has completed seismic review of the facility and found it suitable for County's continued occupancy.

The construction and operational costs associated with a childcare facility at this location are not financially feasible for the Department at this time.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

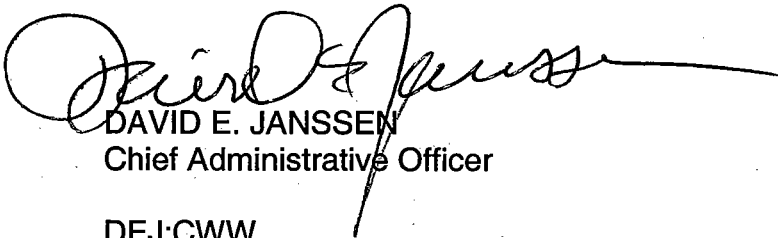
It is the finding of the CAO that the proposed lease amendment is in the best interest of the County and will provide necessary space for this continuing County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DCFS concurs in this lease recommendation.

The Honorable Board of Supervisors
December 2, 2003
Page 6

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return four originals of the executed Amendment No. 1 to Lease No. 66672, two certified copies of the Minute Order and the adopted, stamped Board letter to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CEM:NCH:hd

Attachments (4)

c: County Counsel
Auditor-Controller
Department of Children and Family Services

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
5835 S. EASTERN AVENUE, COMMERCE
 Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²	X		
	B	Does lease co-locate with other functions to better serve clients? ²			X
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq ft of space per person? ² DCFS will have a ratio of 164 sf/person.	X		
2.	<u>Capital</u>				
	A	Should program be in leased space to maximize State/Federal funding?	X		
	B	If not, is this a long term County program?			X
	C	Is it a net County cost (NCC) program? DCFS subvention rate is up to 87% offset by State and Federal funding. NCC is approximately 13 percent.		X	
	D	If yes to 2 B or C; capital lease or operating lease with an option?			X
	E	If no, are there any suitable County-owned facilities available?		X	
	F	If yes, why is lease being recommended over occupancy in County-owned space?			X
	G	Is Building Description Report attached as Attachment B?	X		
	H	Was build-to-suit or capital project considered? The proposed building is available at competitive market rate and allows for co-location of existing departmental programs.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?		X	
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. ___ The Program is being co-located.			
	E	Is lease a full service lease?	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		¹ As approved by the Board of Supervisors 11/17/98			
		² If not, why not?			

ATTACHMENT B

Space Search Zip Codes of 90022, 90040, 90063, 90201, 90255, 90640, 90660

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS	SQUARE FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
4384	PROBATION-EAST LOS ANGELES AREA OFFICE	144 S FETTERLY AVE, EAST LOS ANGELES 90022	15,584	11,327	OWNED	NONE
4465	DF KIRBY CENTER-ADMINISTRATION BUILDING	1500 S MCDONNELL AVE, COMMERCE 90022	18,169	10,117	OWNED	NONE
3241	EAST LOS ANGELES COURTHOUSE	214 S FETTERLY AVE, EAST LOS ANGELES 90022	128,972	63,347	FINANCED	NONE
5412	PUBLIC LIBRARY-EAST LOS ANGELES LIBRARY	4801 E 3RD ST, EAST LOS ANGELES 90022	14,848	11,740	OWNED	NONE
A029	PW-EAST LOS ANGELES DISTRICT OFFICE	5119 E BEVERLY BLVD, EAST LOS ANGELES 90022	3,142	2,358	LEASED	NONE
A122	BOARD OF SUP-EAST LOS ANGELES FIELD OFFICE	5282 E BEVERLY BLVD, EAST LOS ANGELES 90022	2,328	2,095	LEASED	NONE
5428	DPSS-BELVEDERE AP DISTRICT OFFICE	5445 E WHITTIER BLVD, EAST LOS ANGELES 90022	70,493	49,261	OWNED	NONE
A460	DHS-FERGUSON ADMINISTRATIVE SERVICES CENTER	5555 FERGUSON DR, CITY OF COMMERCE 90022	268,400	248,550	LEASED	NONE
A188	SHERIFF-INTERNAL AFFAIRS BUREAU/RISK MANAGMT	4900 S EASTERN AVE, CITY OF COMMERCE 90040	9,443	8,027	LEASED	NONE
A188	SHERIFF-INTERNAL AFFAIRS BUREAU/RISK MANAGMT	4900 S EASTERN AVE, CITY OF COMMERCE 90040	25,140	21,369	LEASED	NONE
A332	CHILD SUPPORT SERVICES-COMPUTER SYSTEMS DIV	5500 S EASTERN AVE, CITY OF COMMERCE 90040	42,250	40,138	LEASED	NONE
A570	CHILD SUPPORT SERVICES-INTERSTATE DIVISION	5701 S EASTERN AVE, CITY OF COMMERCE 90040	61,130	55,017	LEASED	NONE
A183	SHERIFF-HOMICIDE BUREAU OFFICE BUILDING	5747 RICKENBACKER RD, CITY OF COMMERCE 90040	17,460	14,563	LEASED	NONE
A133	CHILD SUPPORT SERVICES-ADMINISTRATIVE HDQTRS	5770 S EASTERN AVE, CITY OF COMMERCE 90040-2924	80,000	60,052	LEASED	NONE
A580	FIRE-ADMINISTRATIVE HEADQUARTERS OFFICE ANNEX	5801 S EASTERN AVE, CITY OF COMMERCE 90040	28,474	25,827	LEASED	NONE
A446	FIRE-INFORMATION MANAGEMENT DIVISION OFFICES	5815 RICKENBACKER RD, CITY OF COMMERCE 90040	3,722	3,350	LEASED	NONE
A823	FIRE-FIRE PREVENTION DIV/ FORESTRY DIV HDQTRS	5823 RICKENBACKER RD, CITY OF COMMERCE 90040	17,710	15,939	LEASED	NONE
A148	FIRE-HAZARDOUS MATERIALS DIVISION HEADQUARTRS	5825 RICKENBACKER RD, CITY OF COMMERCE 90040	16,670	13,737	LEASED	NONE
A157	DC&FS-REGION III HEADQTRS/ BELVEDERE SERVICES	5835 S EASTERN AVE, CITY OF COMMERCE 90040	38,814	38,873	LEASED	NONE
A427	FIRE-MAPPING & ENGINEERING SECTION OFFICES	5847 RICKENBACKER RD, CITY OF COMMERCE 90040	7,177	6,100	LEASED	NONE
A310	CHILD SUPPORT SERVICES-COLLECTIONS OFFICE	5895 RICKENBACKER RD, CITY OF COMMERCE 90040	11,394	11,394	LEASED	NONE
B059	DISTRICT ATTORNEY-AUTO INSURANCE FRAUD UNIT	5901 E SLAUSON AVE, COMMERCE 90040	6,840	6,500	GRATIS USE	NONE
4526	BISCALUZ-ADMINISTRATION BUILDING	1060 N EASTERN AVE, LOS ANGELES 90063	16,571	11,428	OWNED	NONE
4423	BISCALUZ-MENTAL HEALTH RECOVERY CTR (CLOSED)	1060 N EASTERN AVE, LOS ANGELES 90063	6,320	4,620	OWNED	4,620
5863	ISD-ADMINISTRATIVE HEADQUARTERS	1100 N EASTERN AVE, LOS ANGELES 90063	80,309	58,826	FINANCED	NONE
T061	ISD-EASTERN COMPLEX PROJECT MANAGEMENT TRAILER	1100 N EASTERN AVE, LOS ANGELES 90063	7,200	6,840	LEASED	NONE
5870	ISD-EASTERN AVE COMPLEX TELECOM BRANCH BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	37,742	28,973	FINANCED	NONE
X155	ISD-EASTERN AVE COMPLEX TELECOM BUTLER BLDG	1112 N EASTERN AVE, LOS ANGELES 90063	4,960	4,638	OWNED	NONE
3542	FIRE-ADMINISTRATIVE HEADQUARTERS BUILDING	1320 N EASTERN AVE, LOS ANGELES 90063-3294	39,015	24,288	FINANCED	NONE
6131	DCSS-EAST LOS ANGELES SERVICE CENTER	133 N SUNOL DR, EAST LOS ANGELES 90063	28,514	21,777	OWNED	NONE
X707	PUBLIC LIBRARY-ANTHONY QUINN LIBRARY	3965 E CESAR CHAVEZ AVE, EAST LOS ANGELES 90063	7,275	6,077	OWNED	NONE
Y307	PUBLIC LIBRARY-CITY TERRACE LIBRARY	4025 E CITY TERRACE DR, EAST LOS ANGELES 90063	8,007	6,984	OWNED	NONE
A190	PUBLIC LIBRARY-BELL LIBRARY	4411 E GAGE AVE, BELL 90201	4,863	3,515	LEASED	NONE
A680	PUBLIC LIBRARY-CUDAHY LIBRARY	5218 SANTA ANA ST, CUDAHY 90201	4,398	3,332	LEASED	NONE
B480	DPSS-GAIN PROGRAM REGION VI OFFICE	5460 BANDINI BLVD, BELL 90201	31,400	21,815	LEASED	NONE
4179	DHS-BELL GARDENS HEALTH CENTER (CLOSED)	6912 AJAX AVE, BELL GARDENS 90201	3,052	1,807	OWNED	1,807
A308	PUBLIC LIBRARY-BELL GARDENS LIBRARY	7110 GARFIELD AVE, BELL GARDENS 90201	5,119	4,213	PERMIT	NONE
Y480	DPSS-CUDAHY A/P DISTRICT OFFICE	8130 S ATLANTIC AVE, CUDAHY 90201	30,873	24,212	OWNED	NONE
A153	DISTRICT ATTORNEY-HUNTINGTON PARK AREA OFFICE	2958 E FLORENCE AVE, HUNTINGTON PARK 90255	5,600	4,760	LEASED	NONE
5466	PUBLIC LIBRARY-HUNTINGTON PARK LIBRARY	6518 MILES AVE, HUNTINGTON PARK 90255	33,482	24,243	OWNED	NONE
3350	DHS-SAN ANTONIO HEALTH CTR/ EHS DIST (CLOSED)	6538 MILES AVE, HUNTINGTON PARK 90255	16,033	10,261	GROUND LEASE	10,261
3709	HUNTINGTON PARK COURTHOUSE	6548 MILES AVE, HUNTINGTON PARK 90255	29,295	16,325	GROUND LEASE	NONE
D090	PUBLIC LIBRARY-CHET HOLIFIELD LIBRARY	1060 S GREENWOOD AVE, MONTEBELLO 90640	5,500	4,601	LEASED	NONE
5395	PUBLIC LIBRARY-MONTEBELLO REGIONAL LIBRARY	1550 W BEVERLY BLVD, MONTEBELLO 90640	50,530	23,989	OWNED	NONE
D520	DHS-PICO RIVERA HEALTH CENTER (CLOSED)	6336 S PASSONS BLVD, PICO RIVERA 90660	9,112	5,059	OWNED	5,059
5641	PUBLIC LIBRARY-RIVERA LIBRARY	7828 S SERAPIS AVE, PICO RIVERA 90660	6,724	5,404	OWNED	NONE
4983	PUBLIC LIBRARY-PICO RIVERA LIBRARY	9001 MINES AVE AT ROSEMEAD BLVD, PICO RIVERA 90660	7,700	6,317	OWNED	NONE

**AMENDMENT NO. 1 TO LEASE NO. 66672
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
5835 SOUTH EASTERN AVENUE, SUITE 200, COMMERCE**

THIS AMENDMENT NO. 1 to Lease No. 66672, made and entered into this _____ day of _____, 2003.

BY AND BETWEEN

AMB Property, L.P., a Delaware limited partnership,
hereinafter referred to as "Lessor"

AND

COUNTY OF LOS ANGELES, a body corporate and
politic, hereinafter referred to as "Lessee"

W I T N E S E T H

WHEREAS, Newcrow IX, a California general partnership (predecessor in interest to Lessor) and Lessee entered into that certain Lease and Agreement dated January 26, 1993 (the "Lease") for approximately 38,814 rentable square feet identified as 5835 South Eastern Avenue, Suite 200, Commerce that provided for an initial lease term of ten (10) years, and;

WHEREAS, the Lessor and Lessee desire to extend the existing lease term, provide for certain tenant improvements to the office space and make other modifications to the Lease, and in connection therewith, Lessor and Lessee desire to amend the Lease as hereinafter provided.

NOW THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and the rents, covenants and agreements herein contained and intending to be legally bound hereby Lessor and Lessee hereby covenant and agree as follows:

1. EXTENSION OF LEASE TERM. Lessor and Lessee acknowledge that Lessee's lease of the Existing Premises expired on July 31, 2003, pursuant to Paragraph 2(A) of the Lease. Notwithstanding anything contrary in the Lease, the term of Lessee's lease of the Existing Premises shall expire on the date which occurs immediately prior to the fifth (5th) anniversary of the Expansion Commencement Date (the "Lease Expiration Date"), unless sooner terminated as provided in the Lease, as hereby amended. The period of time commencing on the Expansion Commence Date and terminating on the Lease Expiration Date shall be referred to herein as the "Expansion Term." The Expansion Commencement Date shall be the day this Amendment No. 1 is adopted by the Board of Supervisors of the County of Los Angeles.

2. RENT. Notwithstanding anything to the contrary in the Lease as hereby amended, prior to the Expansion Commence Date, Lessee shall continue to pay Rent for the Existing Premises in accordance with the terms of the Lease. Commencing on the Expansion Commencement Date, the Lessee hereby agrees to pay as rent for the Premises during the Expansion Term, the sum of Sixty-one thousand three hundred twenty-six and 12/100 Dollars

(\$61,326.12) per month, i.e. \$1.58 per rentable square foot per month, payable in advance by Auditor's General Warrant. Rental payments shall be payable within fifteen days after the first day of each and every month of the Expansion Term hereof provided Lessor has caused a claim therefore for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

Sub-paragraph 3(D) Rent Adjustment of the Lease is hereby deleted in its entirety and replaced as follows:

D. Rent Adjustment.

1. CPI. From and after the first anniversary of the Expansion Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Basic Rent shall be adjusted by applying the CPI Formula set below. The "Basic Index" shall be the Index published for the month the Lease commences.

2. CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United State Department of Labor, Bureau of Labor Statistics (1882-84=100). The "CPI Formula" means Basic Rent multiplied by a fraction, the numerator being the Index published for the month the Lease commenced. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

3. Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{[\text{Base Index}]} \times \$61,326 \text{ (Basic Rent)} = \text{Monthly Basic Rent}$$

4. Limitations on CPI Adjustment. In no event shall the monthly Basic Rent adjustment based upon the CPI Formula result in an annual increase greater than four and a half percent (4.5%) per year of the Basic Rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Basic Rent than was payable during the previous year of the Lease.

Sub-paragraph 3(E) Operating Expense Adjustments of the Lease is hereby deleted in its entirety and of no further force or effect.

3. CANCELLATION. Paragraph 2 of Lease 66672 concerning Lessee's cancellation rights shall be deleted in its entirety and replaced with this cancellation provision:

Lessee shall have the right to terminate the Lease at or anytime after the end of the thirty-sixty (36th) month of the Expansion Term subject to Paragraph 1 of this Amendment No. 1 by giving Lessor at least six (6) months prior written notice. In the event that Lessee exercises the right to cancel the Lease as amended hereby, Lessee shall reimburse Lessor unamortized commission and Additional Tenant Improvement Allowance at an interest factor of eight (8) percent.

4. ADDITIONAL TENANT IMPROVEMENTS. Section 2, of Exhibit "B" in the Lease, "Construction Agreement," shall be amended to add this Additional Tenant Improvements section. Lessor agrees to provide Lessee with an Additional Tenant Improvement Allowance of \$7 per rentable square foot (i.e. \$271,698.00) to be used toward Lessee's special requirements including carpet, paint, and related work subject to County specifications to be provided to Lessor; or other items as deemed necessary by Lessee. Lessee shall put in writing to Lessor all Tenant Improvement work requested to be completed by Lessor, no later than one hundred twenty (120) days following the final execution and adoption of this Amendment. Barring any unforeseen delays, Lessor shall have all Tenant Improvement work completed no later than sixty (60) days following the issuance of permits, if applicable, from the appropriate authority. All work related to said improvements shall be performed by Lessor, the prompt timing and completion of which shall be coordinated with Lessee, and completed after normal business hours and/or on weekends per mutual agreement. All improvement costs subject to review and approval by the Chief Administrative Office, Real Estate Division. Any unused allowance, if applicable, to be credited the County.

In addition and apart from the aforementioned allowance, except as a result of the negligence or willful misconduct of Lessee, Lessor to replace any defective and/or stained ceiling tiles, lights, lenses, mini-blinds and/or window treatments where applicable. The Premises shall meet all applicable City, County, State and Federal building codes, regulations and ordinances for beneficial occupancy.

5. CHANGE OF LESSOR'S ADDRESS FOR RECEIPT OF NOTICES.

Notwithstanding anything to the contrary in the Lease, notices to Lessor shall be delivered to the following addresses:

AMB Property, L.P.
Pier 1, Bay 1
San Francisco, CA 94111

With a copy to:

AMB Property, L.P.
Ford Distribution Center
c/o Trammell Crow Company
600 Citadel Drive, Suite 100
Commerce, CA 90040

6. CHANGE OF LESSEE'S ADDRESS FOR RECEIPT OF NOTICES.

Notwithstanding anything to the contrary in the Lease, notices to Lessee shall be delivered to the following addresses:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temples Street
Los Angeles, California 90012

With a copy to:

Chief Administrative Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. All other items and conditions of Lease No. 66672 shall remain the same and in full force and effect during the Expansion Term.

8. This Amendment contains the entire agreement of the parties with respect to the subject matter contained herein and supercedes any and all prior agreements of Lessor and Lessee with respect to such subject matter.

IN WITNESS WHEREOF, the Lessor or the Lessor's duly authorized representative has executed this Amendment No. 1 to Lease No. 66672 or caused it to be executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Lease Amendment No. 1 to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month and year first above written.

LESSOR:

AMB Property, L.P.
a Delaware limited partnership
By: AMB Property Corporation
a Maryland corporation

By: 

ATTEST:

VIOLET VARONA-LUKES
Executive Officer-Clerk
Of the Board of Supervisors

By: _____
Deputy

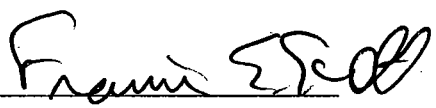
LESSEE:

COUNTY OF LOS ANGELES

By: _____

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By: 
Deputy: Francis E. Scott